

**MINUTES OF REGULAR MEETING  
ILLINOIS GAMING BOARD  
OCTOBER 26, 1999  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Illinois Gaming Board ("Board") held its Regular Meeting on October 26, 1999 in the auditorium on the 5th floor of the State of Illinois Building, Chicago, Illinois, pursuant to the Illinois Open Meetings Act, 5 ILCS 120.

The following Board Members were present: Robert F. Vickrey, Chairman; and Members Gregory C. Jones, Joseph A. Lamendella, Stuart P. Levine and Staci M. Yandle.

Also in attendance were: Administrator Sergio E. Acosta, Special Counsel to the Board Robert F. Casey, Deputy Administrators Joseph Haughey, Allan McDonald, Roger Shiels, and Thomas Swoik, Chief Counsel Mareile' Cusack, other members of the staff, the media, the general public and interested parties.

Chairman Vickrey called the meeting to order at 9:37 a.m. Member Jones moved **that the Board retire to Closed Session pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act, to discuss the following subject matters:**

**Issues Concerning Applicants and Licensees  
Recommendations of Administrative Law Judges  
Pending Litigation and Matters Involving Probable Litigation  
Investigatory Matters  
Personnel Matters  
Closed Session Minutes**

Member Lamendella seconded the motion. The Board adopted the motion by unanimous consent.

The Board convened in Open Session at 3:10 p.m.

Board Minutes

Member Yandle moved **that the Board approve the minutes from the open and closed sessions of the September 7, 1999 regular meeting and the September 2, 1999, October 8, 1999 and October 15, 1999 special meetings.**

Member Lamendella seconded the motion. The Board approved the motion unanimously by voice vote.

### Chairman's Report

Chairman Vickrey thanked Tom Johnson for his tremendous contributions to the Board during his nine-year tenure. His resignation from the Board became effective October 8, 1999. The Chairman thanked Tom for his insight, guidance and overall contributions.

Chairman Vickrey welcomed Staci Yandle as a new Board member. He stated that Ms. Yandle is with the law firm of Carr, Korein, Tillery, Kunin, Montroy, Cates & Glass where she practices in the area of personal injury law and complex civil litigation. She is also an adjunct professor at St. Louis University Law School.

The Chairman clarified for the audience the significance of initial consideration under the two meeting rule policy. He stated that licensees wishing to be considered for "initial consideration," must have submitted, either at the Board meeting or to staff prior to the Board meeting, the relevant materials pertaining to the request. If licensees do not have the information prepared or if their proposals do not require Board action they are welcome to present their plans as "information" at a public meeting.

The Chairman stated that the agenda has been amended to separate out items for information and items for initial consideration.

### Administrator's Report

Administrator Acosta reported that at the September meeting two licensees requested initial consideration for 24-hour gaming. The Administrator stated that he would not have his report on 24-hour gaming prepared until the December 7 meeting.

The Administrator stated that the Dockside Gaming Regulatory Task Force is holding a meeting on October 29, 1999 in Springfield, Illinois to look at the health and safety issues involved in dockside gaming in Illinois. All licensees are invited to attend the meeting.

The Administrator reported that Jeannette Tamayo was hired October 1, 1999 as Deputy Chief Counsel. Jeannette previously worked at the Illinois Department of Children and Family Services as the Deputy Chief Counsel and as Special Counsel to the Director.

### Public Commentary

Jim Esworry recounted the events the night his two daughters were killed (Jennifer 22, Jacki 18) while riding in the back seat of his car. A drunk driver with a blood alcohol level of .267 ran through a stop sign and broadsided the car. Mr. Esworry stated that he feels there is a strong correlation between gambling and alcohol consumption. He asked the Board to do its part in not allowing more places to gamble and drink.

Stephen T. Riedl, Executive Director of the Illinois Licensed Beverage Association ("ILBA"), a trade association comprised of liquor retailers throughout Illinois, requested that the Board review the current policy that governs the hours beverage alcohol may be served or consumed on gaming riverboats. He also asked the Board to issue a ruling requiring the sale and consumption of beverage alcohol onboard the riverboats to be in compliance with applicable local ordinances.

Anita Bedell, Executive Director of Illinois Church Action on Alcohol Problems, a statewide alcohol and drug prevention organization, asked the Board to deny the request for 24-hour gaming.

Dean Koldenhoven, Mayor of Palos Heights, stated that he strongly opposes gambling in any form or the expansion of gambling such as 24-hour gaming. Mr. Koldenhoven displayed an advertisement he recently received in the mail called "youbet.com". The advertisement states that for \$6.00 a month you can bet on 42,908 horses. He left the literature with the Board.

Brad Fralick, Executive Director of Mothers Against Drunk Driving ("MADD"), stated that he represents the 24 chapters and community action teams of MADD in Illinois. He urged the Board to take immediate action on repealing the current statute regarding 24-hour sale of alcohol. He stated that MADD is looking closely at counties that have casinos and will be evaluating whether there is an increase in the number of arrests and crashes along the routes to and from these establishments.

Phil Crusius, representing Citizens for Self-Determination, stated that he was the leader of a 1995 Arlington Heights referendum opposing slot machines at Arlington International Race Course. Mr. Crusius is against moving gaming facilities off the rivers into man made channels, ponds or moats. He asked the Board to keep the first five boats on their

respective rivers. On a separate matter, Mr. Crusius urged the Board to fully investigate the Emerald Casino applicants to ascertain their character and trustworthiness in business dealings.

Tom Grey, representing the National Coalition Against Legalized Gambling, asked the Board to review the past record of HP, Inc., to let the pending court cases run the course and to vote against renewing HP's license. He also asked the Board not to allow boats in moats and 24-hour gaming.

Chairman Vickrey asked the speakers to submit their written comments, if available.

### Monthly Performance Report

Deputy Administrator Swoik summarized the monthly statistical reports for September regarding AGR, admissions and patron counts. He reported that the September AGR exceeded \$121.7 million slightly down (\$6 million) from the August AGR. September AGR reflects a 36 percent increase over year ago figures.

### Owner Licensee Items

ALTON GAMING COMPANY ("Alton") – Jim Montana, representing Alton, requested approval of its new landing facility. Mr. Montana stated that as part of its renewal in 1998 the Board required that Alton submit by December 31, 1998 a capital improvement plan with assurances that the physical plant be replaced as necessary. Alton submitted a \$14 million proposal for a new landing facility. Mr. Montana stated that the new landing facility incorporates new construction on two barges that link together and provide access to the existing Alton Belle vessel. Mr. Montana asked the Board to authorize the Administrator the authority to approve the landing facility.

Administrator Acosta stated that staff has been working with Alton representatives to achieve full compliance.

**NOTE: See motion on page 5**

CASINO ROCK ISLAND ("CRI") – Donna B. More, representing CRI, requested approval of certain design changes and a reconfiguration of the location of gaming positions. Ms. More also requested that approval be delegated to the Administrator.

Ron Wicks, President of CRI, displayed diagrams depicting the current and proposed site configurations.

Member Lamendella asked licensees to bring better graphics when making a presentation to the Board. He further requested that graphics be viewable by members of the audience as well as the Board.

**NOTE: See motion on page 5**

PLAYERS ISLAND CASINO ("Players") – Mike Ficaro, representing Players, requested Administrator approval of its facility reconfiguration. Joe Korba, Director of Corporate Audit, gave an overview of the reconfiguration.

Administrator Acosta asked questions about the location of the turnstiles and hours of operation in the bar located on the barge.

Chairman Vickrey asked questions about the location of turnstiles and the layout of the vessel and pavilion. He asked if alcohol is served on the vessel. Mr. Korba responded yes. He asked if alcohol was served on the barge. Mr. Korba stated that currently just in the Island Terrace restaurant and in the buffet area. In response to Chairman Vickrey, Mr. Korba stated that Players operates under two separate liquor licenses. He stated that alcohol is served in the pavilion until 1:00 a.m. six days a week and on the vessel alcohol is served during its hours of operation seven days a week. In response to Chairman Vickrey, Mr. Korba stated that the price of a drink in its land-based bars is higher than on the vessel.

In addition to Member Lamendella's comments earlier in the meeting, the Chairman suggested that a slide or video presentation is helpful in allowing Board members to visualize the sites.

Pursuant to a resolution adopted by the Board on September 19, 1995, Member Levine moved **that the Board delegate to the administrator the authority to approve facility reconfigurations proposed by owner licensees.** Member Jones seconded the motion and specified that the three casinos are Alton, CRI and Players. The Board approved the motion unanimously by voice vote.

HARRAH'S – Tom O'Donnell, representing Harrah's, requested initial consideration for 24-hour gaming.

Administrator Acosta stated that a questionnaire was sent to all licensees reference issues arising from 24-hour gaming. He noted that his December 7 report will include owner licensee responses.

In response to Member Lamendella, Mr. O'Donnell stated that Harrah's is closed from 6:30 a.m. - 8:30 a.m. Member Lamendella asked what the mix of play is at closing time and how many patrons are still gaming. Mr. O'Donnell stated that Harrah's request for 24-hour gaming is not a revenue opportunity. It is the efficiencies Harrah's will gain with three 8-hour shifts. He stated that there are less than 100 people on both vessels at closing time.

Members asked additional questions about hours of operation and the number of patrons on board at various hours. Mr. O'Donnell stated that Harrah's could incur some additional costs to better meet the needs of its employees.

HOLLYWOOD CASINO AURORA ("HCA") – Ed Pratt, representing HCA, requested renewal of its owner's license. He stated that since HCA's last license renewal HCA eliminated a long-standing management contract that existed between HCA and Pratt Management. The contract called for a calculation of management fees based on a percentage of its revenues. HCA was successful in purchasing the contracts, which it immediately cancelled on October 14, 1999. Mr. Pratt stated that HCA also refinanced its corporate indebtedness. HCA raised \$360 million, reduced its cost capital, strengthened its company and raised additional funding.

For the benefit of the new Board members, Mr. Pratt gave a historical overview of the building of HCA. He stated that a \$40 million expansion project is in the works. HCA plans to wrap the entire pavilion with an 80,000 square foot floating barge facility. Mr. Pratt reported that the total investment HCA has made in downtown Aurora to date is approximately \$170 million.

Sue Voss, Executive Director of the Aurora Convention & Visitors Bureau, talked about the economic development that has taken place since HCA opened. She stated that businesses continue to open in Aurora such as new hotels and restaurants. Ms. Voss stated that the city has used its local share of gaming taxes to allocate monies to each of its eight wards. The first year each ward received \$200,000. In 1999 it was \$400,000 and in calendar year 2000 each ward will receive a \$500,000 to be used for the capital projects of their choice.

Ms. Voss stated that HCA works with the community. HCA partners with other members of the hospitality community, civic leaders, the municipality and the local non-profit organizations.

Chairman Vickrey asked Mr. Pratt to explain to the new Board members why the construction of its new barges must take place in Illinois. Mr. Pratt stated that HCA is situated on a section of the Fox River that is dammed up. All the original construction, vessels and expansion projects happen on the Fox River. Mr. Pratt stated that an iron works company, located near its site will build the new barge facility. The existing vessels will be dismantled on site and will be taken out in sections. Illinois labor has been utilized for all projects.

EMPRESS CASINO JOLIET – Anton Valukas, representing Horseshoe Gaming Holding Corporation ("Horseshoe"), requested initial consideration to acquire Empress Casino Corporation ("Empress").

Mr. Valukas stated that in September 1998, Empress accepted a contract for purchase from Horseshoe for approximately \$600 million. In May 1999 Horseshoe floated a bond issue for approximately \$600 million of subordinated notes of which \$325 million has been set aside in an account for purposes of the acquisition. Mr. Valukas stated that Horseshoe has a \$375 million line of credit with a bank for purposes of completing the acquisition.

Mr. Valukas stated that Horseshoe has been approved in the following jurisdictions and remain in good standing: Nevada, Louisiana, Mississippi and Indiana. He gave a brief overview of Mr. Binion's operations in Mississippi and Louisiana and stated that Horseshoe has become among the most successful gaming operations in the world.

Mr. Valukas gave examples of why he feels Horseshoe is an employer of choice. He stated that Horseshoe has a tuition reimbursement program, a college internship program, an employee diversity counsel, and a welfare to work program.

Mr. Valukas stated that Horseshoe is committed to minority employment. He reported that Horseshoe's employees are 59 percent female and 59 percent minorities. Mr. Valukas stated that 43 percent of its management staff is comprised of women and 37 percent are minorities.

Mr. Valukas introduced the following Horseshoe/Empress employees: Jack Binion, CEO and Chairman; Perry Howard, Vice Chairman; Joe Canfora, President; Floyd Hannon, Senior Vice President/Compliance and Regulatory Affairs; Roger Wagner, Chief Operating Officer; John Costello, current CFO at Empress to become Horseshoe's corporate controller; Kirk Saylor, future CFO; Gary Border, Director of Marketing; David Carroll, Senior Vice President; Jon Wolfe, Vice President/Chief Information Officer; David Fendrick, General Manager and Lacey Johnson, outside counsel.

Mr. Valukas requested that the Board convene a special meeting in November so that Horseshoe may be heard before its December deadline.

Member Yandle asked when Horseshoe's license is up for renewal in Louisiana. Mr. Sklarsky stated at some time in November or December.

Chairman Vickrey asked when its current Louisiana license is to expire. Mr. Binion stated that Louisiana gave Horseshoe a temporary license due to a backlog of administrative duties.

PLAYERS ISLAND CASINO ("Players") – Mike Ficaro, representing Players, requested approval of John Wintermantel as Assistant Vice President of Casino Operations.

Member Yandle moved **that the Board approve John A. Wintermantel as a Level 1 Occupational Licensee of Southern Illinois Riverboat Casino Cruises, Inc.** Member Jones seconded the motion. The Board approved the motion unanimously by voice vote.

PAR-A-DICE GAMING COMPANY ("PGC") – Donna More, representing PGC, requested approval of Teresa J. Parker as Controller.

Member Lamendella moved **that the Board approve Teresa Juanita Parker as a Level 1 Occupational Licensee of Par-A-Dice Riverboat Casino.** Member Jones seconded the motion. The Board approved the motion unanimously by voice vote.

ALTON GAMING COMPANY ("Alton") – Don Malloy, representing Alton, requested approval of its owner's license.

Administrator Acosta stated that there are no outstanding concerns with AGC and recommended approval to the Board.

Member Levine moved **that the Board renew the owner's license of Alton Gaming Company for a period of 1 year. The license is to expire in October 2000.**

**In renewing the license, the Board formally designates the following as key persons of the licensee:**

**Argosy Gaming Company  
William F. Cellini  
F. Lance Callis  
John B. Pratt, Sr.  
James F. Gallagher  
William John McEnery  
James B. Perry  
Roger Archibald  
James A. Gilbrandsen**

Member Jones seconded the motion. The Board approved the motion unanimously by voice vote.

Mr. Malloy requested approval of William L. Albert as Director of Facility Operations and Richard M. Laudon, III as Director of Casino Operations.

Member Jones moved **that the Board approve William L. Albert and Richard M. Laudon, III as Level 1 Occupational Licensees of Argosy Gaming Company.** Member Levine seconded the motion. The Board approved the motion unanimously by voice vote.

ELGIN RIVERBOAT RESORTS ("ERR") – Donna More, representing ERR, requested approval of its owner's license.

Member Lamendella commented that he had some questions regarding the Foundation, but no negative implications inherent in the questions.

Chairman Vickrey asked Joyce Parker the Elgin City Manager to step up to the podium.

In response to Chairman Vickrey, Ms. Parker stated that she has been with the city for two years. The Chairman asked Ms. Parker to bring him up to date on the city's plans for the area surrounding the Crocker Theater. Ms. Parker stated that a group in Elgin called the New Century Partnership involved with revitalization efforts in the downtown area. The group currently has a purchase agreement in place relating to the Crocker Theater.

In response to Chairman Vickrey, Ms. Parker stated that the New Century Partnership is interested in redevelopment efforts. The group is currently considering two proposals for the Crocker Theater. In the event that redevelopment is not

feasible the theater may be demolished. Ms. Parker also stated that the City of Elgin has done a parking study and is looking at parking as another alternative.

Chairman Vickrey asked Ms. Parker to describe other downtown development efforts. Ms. Parker distributed a status report to members of the Board related to the revitalization efforts funded by ERR in the past, present and those proposed for the future from the year 2000 to 2003. She gave an overview of some of the projects.

Member Lamendella moved **that the Board renew the owner's license of Elgin Riverboat for a period of 1 year. The license is to expire in October 2000. The renewal of this license is subject to and conditioned upon Elgin Riverboat Resorts (1) continuing to provide information to staff concerning the charitable foundation; and (2) that the foundations charter provide that charitable funds are used for charitable purposes within the State of Illinois.**

**In renewing the license, the Board formally designates the following as key persons of the licensee:**

**RBG, L.P  
MSE, Inc.  
Last Chance Investments, Inc.  
Diamond Gold Investments, Inc.  
Nevada Landing Partnership  
HCCA Corporation  
Mandalay Resort Group  
PG Investors  
RBG Investors, L.P.  
David Belding  
Marshall Eisenberg  
Michael Ensign  
Harold Handelsman  
Thomas Pritzker  
Nick Pritzker  
Richard Schulze**

Member Yandle seconded the motion. The Board approved the motion unanimously by voice vote.

Larry Richmond, outside counsel for the Foundation, clarified for the Board that the Foundation's articles do state that the funds are to be expended within the State of Illinois primarily within Elgin and Kane County.

#### Supplier Licensee Items

CASINO DATA SYSTEMS ("CDS") – Donna More, representing CDS, requested approval of Lee Lemas as a key person in her capacity as Chief Operating officer and Chief Financial Officer.

Member Jones moved **that the Board approve Lee Lemas as a Key Person of Casino Data Systems.** Member Lamendella seconded the motion. The Board approved the motion unanimously by voice vote.

#### Occupational Licenses

Member Jones moved **that the Board approve 55 applications for an Occupational License, Level 2, and 125 applications for an Occupational License, Level 3, and deny 3 applications for an Occupational License, Level 2.** Member Levine seconded the motion. Member Lamendella abstained. The Board approved the motion unanimously by voice vote.

#### Complaints & Disciplinary Actions

Member Jones moved **that the Board issue disciplinary complaints against Monzola Harper, Shanelle Moffett, Bill Khong and Houston Le and revoke their respective licenses.** Member Levine seconded the motion. Member Lamendella abstained. The Board approved the motion unanimously by voice vote.

#### Board Policy Items

NEW GAME REQUEST – Craig Travers, General Manager for the Casino Queen requested approval of the new game Wild Aruba Stud.

Member Lamendella asked how many tables the Casino Queen plans to have. Mr. Travers stated that Casino Queen plans to convert one of its Caribbean Stud table games to a Wild Aruba Stud table.

In response to Chairman Vickrey, Larry Gabar, representing Mikohn Gaming described how the game of Wild Aruba Stud is played.

Member Yandle moved **that the Board grant Casino Queen, Inc.'s request for approval of the new game Wild Aruba Stud as an authorized game to be offered at Illinois riverboat gaming operations.** Member Lamendella seconded the motion. The Board approved the motion unanimously by voice vote.

RULEMAKING – Chief Counsel Cusack asked the Board to approve several rules for second notice filing with the Joint Committee on Administrative Rules. She stated that no comments were received from the public on the rules.

Member Levine moved **that the Board approve the second notice filing of the following rules with the Joint Committee on Administrative Rules.** Member Jones seconded the motion. The Board approved the motion unanimously by voice vote.

Proposed Rules are:	3000.232	3000.500
3000.235 as amended	3000.510	
3000.237	3000.1071	

Member Jones seconded the motion. The Board approved the motion unanimously by voice vote.

LEGISLATION – The Administrator requested Board approval to resubmit legislative initiatives previously approved by earlier Board members for submission to the Governor's Office.

Member Jones moved **that the Board approve the legislative proposal drafted by staff for possible consideration in the 2000 spring session.** Member Levine seconded the motion. The Board approved the motion unanimously by voice vote.

There being no further business to come before the Board, Member Yandle moved **that the Board stand adjourned.** Member Levine seconded the motion. The Board approved the motion unanimously by voice vote and adjourned at 5:55 p.m.

Respectfully submitted,

Susan O. Weber  
Secretary of the Board